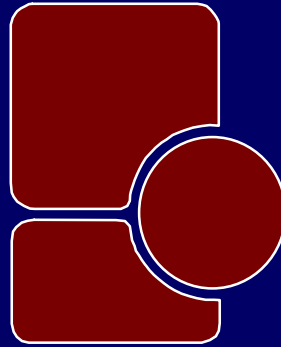


**Joint Legislative Audit and Review Commission
of the Virginia General Assembly**



2001 JLARC Workplan

**Staff Briefing
May 14, 2001**

Studies under Deputy Director R. Kirk Jonas

2

Review of Spending in State Government

- Project Leader: Walt Smiley
- Project Team: Daniel Oney Kimberly Maluski

Review of Capital Punishment in Virginia

- Project Leader: Wayne Turnage
- Project Team: Kelly Bowman Sandra Wright

Studies under Deputy Director R. Kirk Jonas (continued)

3

Review of State Aid to Public Libraries

- Project Leader: Patricia Bishop
- Project Team: Kelly Gobble Greg Rest Lisa Friel

Review of Gubernatorial Separation Authority

- Project Team: Kirk Jonas

Review of Spending in State Government

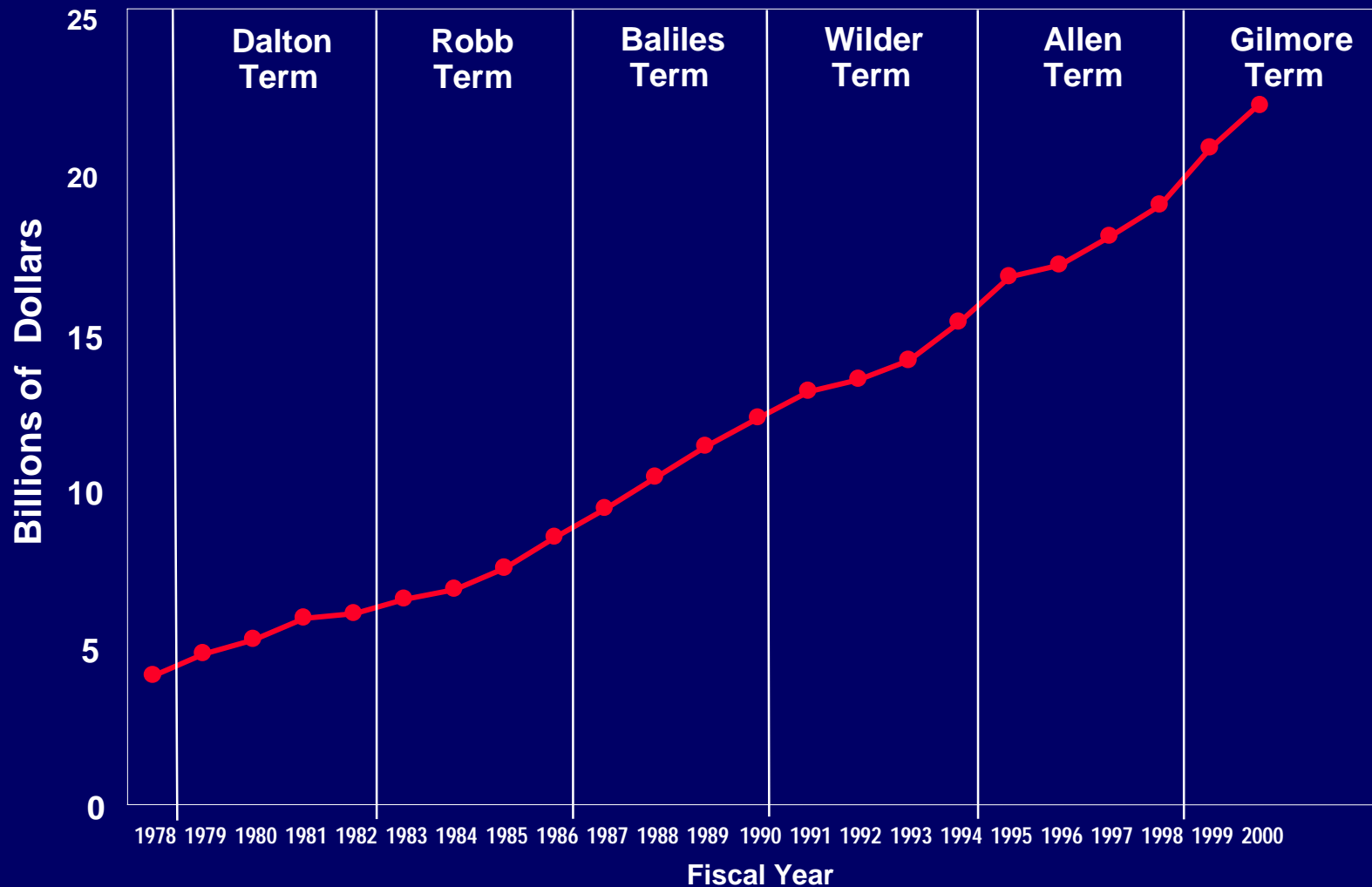
Study Mandate

5

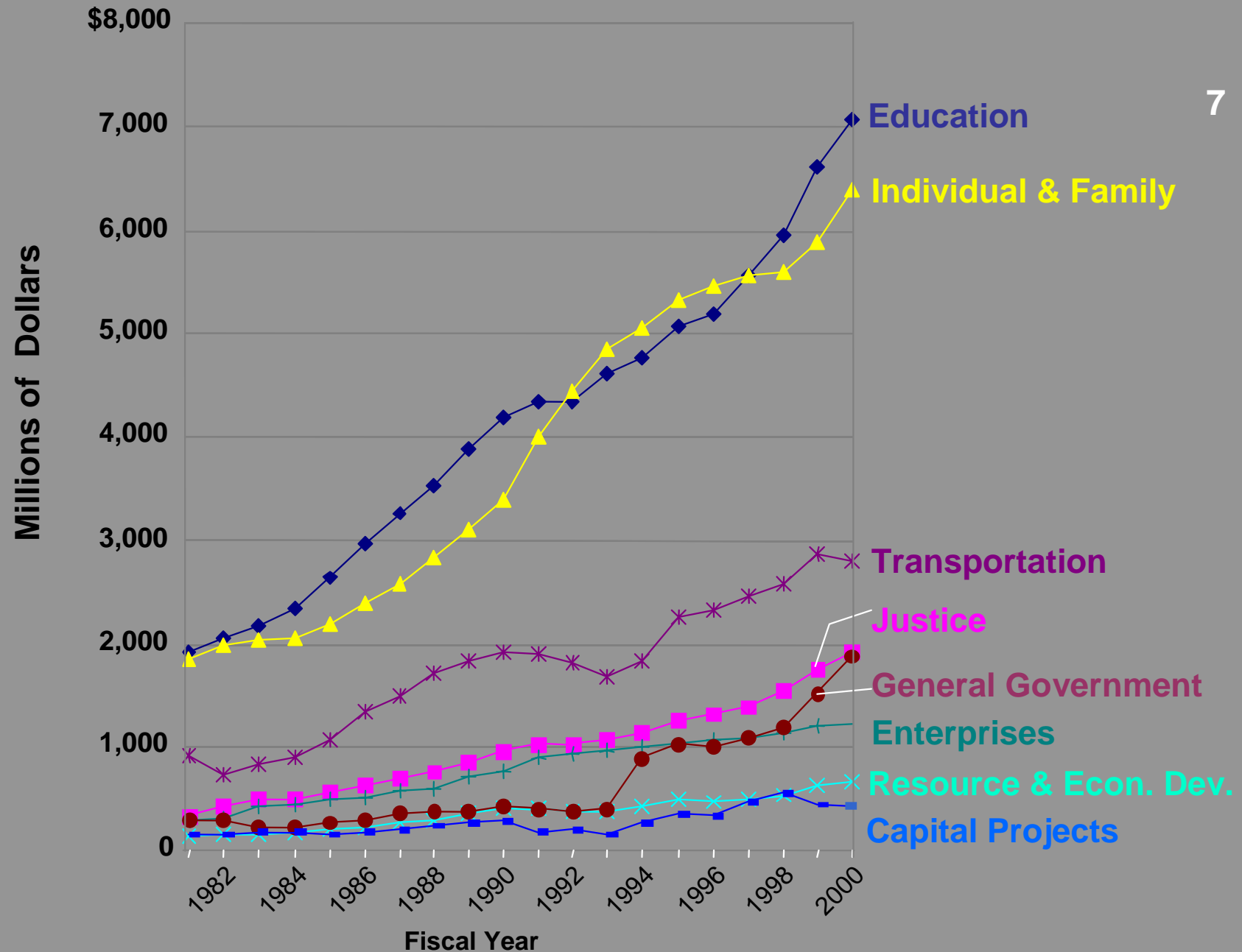
- **HJR 773 and HB 2865 (both from 2001) direct JLARC to review State spending and identify:**
 - the largest and fastest growing programs
 - the causes of expenditure growth
 - programs that may be indistinct or inefficient, and
 - programs that could be consolidated
- **HJR 733 also calls for:**
 - an assessment of the use of performance budgeting and measurement in legislative budgeting, and
 - an analysis of the use of State funds by private organizations

Total Virginia Expenditures (All Funds)

6

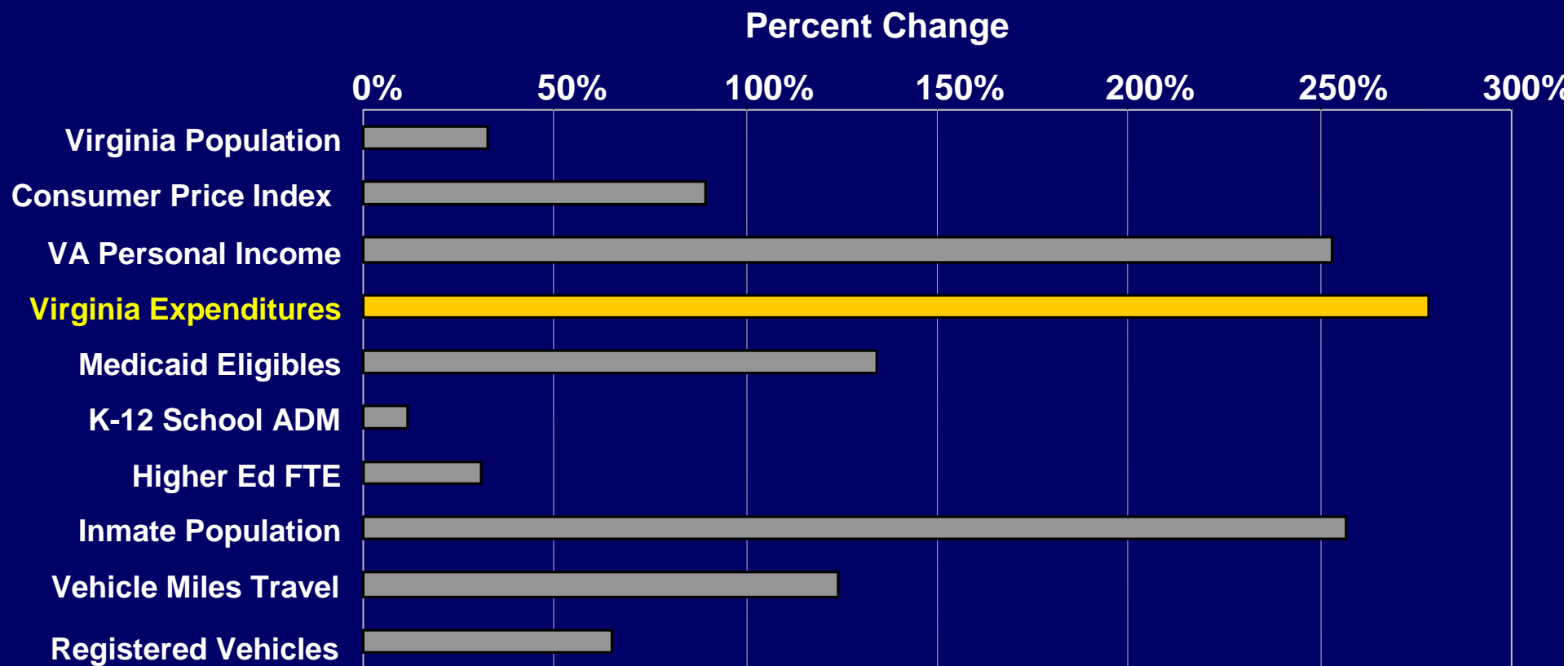


Expenditures by Functional Area, FY 1981 -- FY 2000



Trends 1981 to 2000

8



Note: Some factors will be cumulative

Changes in State Appropriations

FY 1981 – FY 2001

(\$ Millions)

9

	<u>FY 1981</u>	<u>FY 2001</u>	<u>% Increase</u>
General Funds	\$ 2,672.1	\$ 12,283.6	+360%
Non-General Funds	\$ 3,036.3	\$ 11,039.1	+264%
Total	\$ 5,708.4	\$ 23,322.7	+308%

Sources: FY 1981: 1982 Chapter 28

FY 2001: 2000 Chapter 1073

Previous Efficiency / Consolidation Reviews

10

- **1984:** Critical Re-evaluation of State Government eliminated or simplified 51% of State agency regulations, and re-aligned or abolished 30 agencies and programs
- **1987:** Commission on Efficiency in Government reduced paperwork burden on citizens by 28%
- **1990:** Project Streamline identified savings of \$247 million and 4,400 staff positions / biennium by consolidating, eliminating, reorganizing numerous agencies
- **1994:** Blue Ribbon Strike Force led to evaluating proposed regulations for economic impact
- Prior JLARC studies have assessed the Secretarial system, governmental structure, organization and management of numerous agencies, and reviewed State / local mandates and funding issues

Use of State Funds by Private Organizations

11

- Statutory provisions governing use of State funds for non-State organizations were adopted in 1989
- Sec. 2.1-394.1 of the *Code of Virginia* prohibits appropriation or expenditure of State funds for, or to, non-State agencies unless the organization:
 - provides documentation of its tax-exempt status under the U.S. Internal Revenue Code
 - certifies to DPB that matching funds from local or private sources are available, and files a request with DPB
- “Non-State agency” defined as any public or private foundation, authority, institute, museum, corporation or similar organization which is not a unit of State government or a political subdivision of the Commonwealth
- Approximately 233 such organizations are appropriated \$36 million General Funds in FY 2001 by Chapter 1073
- No funding is provided to non-State agencies in FY 2002

Study Issues

12

- What programs and agencies have grown the fastest, in terms of spending, since FY 1981?
- What are the causes of this spending growth?
- Are there agencies or programs with indistinct missions or that are performing inefficiently?
- Are there specific programs or agencies we should examine?
- Does the current budget process help to control growth or does it build in growth?

Study Issues

(continued)

13

- What role does the General Assembly wish to play in performance measurement and budgeting?
- Are there organizations other than non-State agencies which should be included in the review?

Research Activities

14

- **Structured interviews**
- **Development of agency profiles**
- **Review and analysis of secondary data**
- **Review of program documents**

Study Schedule

15

- | | |
|-----------------------------|---------------------|
| ■ Data collection | Summer 2001 |
| ■ Preliminary annual report | Fall 2001 |
| ■ Annual expenditure report | Beginning Fall 2002 |

Review of Capital Punishment in Virginia

Study Mandate

17

- Based on the authority provided through Sections 30.56 to 30.63 of the *Code of Virginia*, the Commission directed JLARC staff to conduct a review of Virginia's system of capital punishment
- The Commission requested that this review focus on two major issues:
 - the use of prosecutorial discretion in the application of the death penalty, and
 - the fairness of Virginia's appellate review process

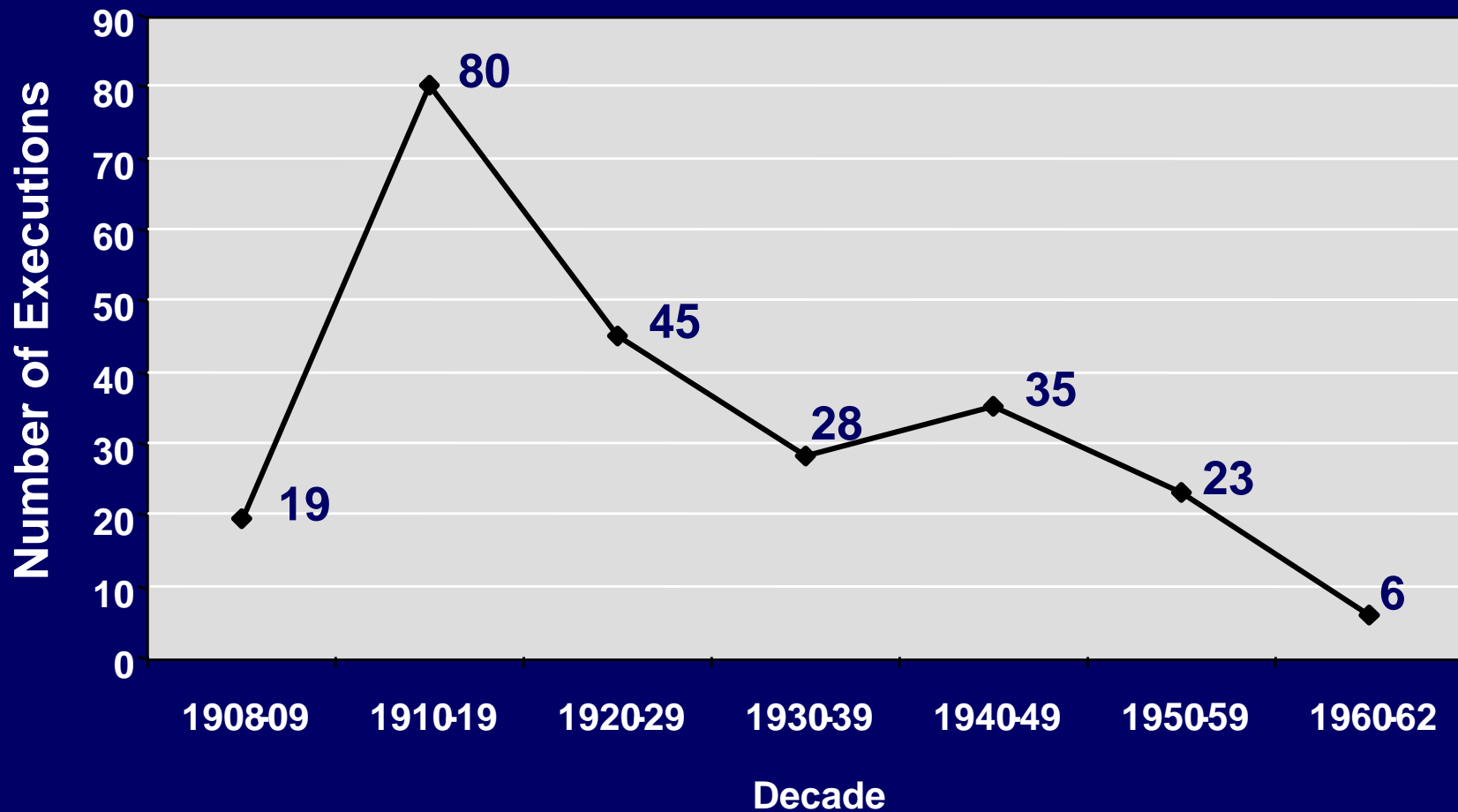
Prior to the Reforms Established in the Mid-1970s, Virginia's System of Capital Punishment Was Seriously Flawed

18

- **Prior to 1972, Virginia was one of 42 states that permitted the execution of criminals**
- **Three key elements of Virginia's system that would later pose constitutional problems for the General Assembly were the broad scope of the capital punishment statutes, the unlimited discretion granted juries when deciding capital cases, and the absence of an automatic judicial review for persons sentenced to death**

Trends in State Executions Prior to 1970 Reforms

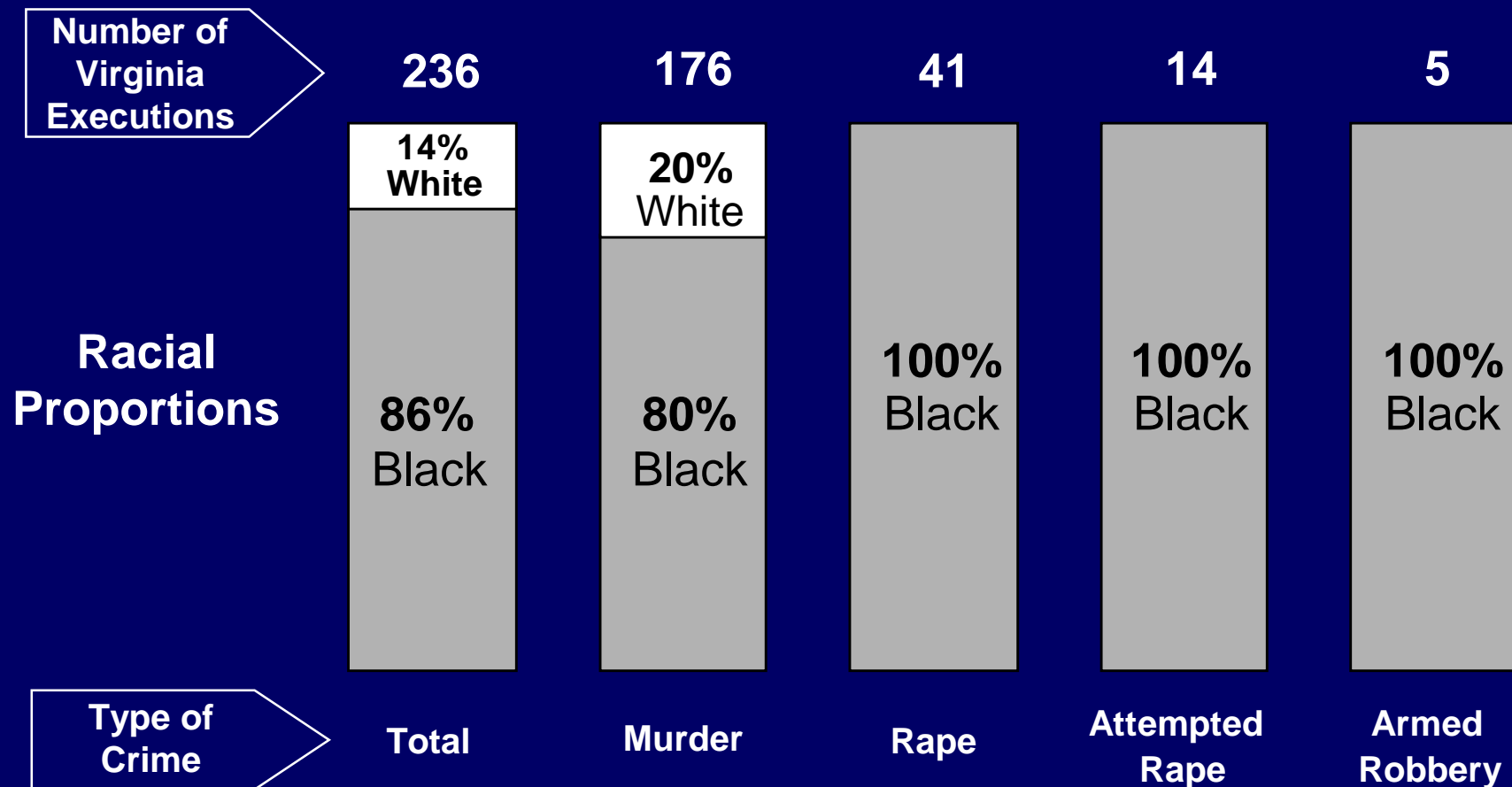
19



Racial Disparities in Early State Executions

20

Executions in Virginia by Race, 1908 to 1962 Aggregated



In Response to United States Supreme Court Rulings, Virginia Reformed Its System

21

- In a 1972 landmark case -- *Furman v. Georgia* – the United State Supreme Court invalidated capital punishment statutes in 31 states, and the death sentences of more than 600 inmates across the country were commuted to life in prison
- In response to this ruling, the 1975 Virginia General Assembly greatly narrowed the types of murder that would qualify as a capital crime

In Response to United States Supreme Court Rulings, Virginia Reformed Its System (continued)

22

- **Specifically, first-degree murder would constitute capital murder only if the murder was committed:**
 - **in the commission of abduction**
 - **as a part of a contract killing**
 - **by an inmate in a penal institution**
 - **in the commission of a robbery with a deadly weapon, or**
 - **against a law enforcement officer while the officer was performing his duty**

In Response to United States Supreme Court Rulings, Virginia Reformed Its System (continued)

23

- **Two years later, in response to two additional United States Supreme Court rulings, the General Assembly furthered modified its death penalty statutes in three important ways:**
 - **First, execution as the sole punishment for a capital crime was eliminated**
 - **Second, a bifurcated trial process was established creating one trial to determine the guilt or innocence of the accused and a second trial to determine punishment**
 - **Third, the General Assembly provided for the automatic review of all death penalty convictions by the State Supreme Court**

Death Penalty Expanded Under New Statutory Scheme

24

- In the 23 years since 1977, Virginia has modified or added to the State's definition of capital murder 14 times. Now there are more than 20 different types of murder that qualify as a capital crime.
- Over this same time period, Virginia has executed 81 prisoners. In 1999, the Commonwealth accounted for 14 percent of all executions nationwide. In 2000, this figure was nine percent.

Study Issues

25

- To what extent is there variation in the decision to seek the death penalty in capital-eligible cases?
- What factors are associated with the decisions of prosecutors to seek the death penalty in capital-eligible cases?
- What factors are associated with jury decisions to impose the death penalty in the second phase of capital cases?
- How is the appellate process for persons sentenced to death administered in Virginia?

Study Issues

(continued)

26

- **What is the impact of certain post-trial rules and appellate review restrictions on the judicial review of capital cases in Virginia?**
- **Compared to states with similar execution rates for death row inmates, is Virginia's appellate process more or less restrictive?**
- **What are the experience levels, qualifications, and disciplinary records of attorneys who represent persons on trial for capital murder?**

Research Activities

27

■ File Reviews

- review court files in 30 localities for 80 percent of all persons who were charged with a capital-eligible crime from 1995 to 1999
- review of all appellate court cases – direct appeals to State Supreme Court, state and federal Habeas Corpus petitions, Writs of Certiorari, and petitions for clemency

■ Surveys

- mail survey of local prosecutors
- mail survey of defense attorneys in capital cases

Study Schedule

28

- Data collection and analysis Spring-Fall 2001
- Report writing Winter 2001
- Commission briefing December 2001

Review of State Aid to Public Libraries

Study Mandate

30

- **The 2000 General Assembly (Item 20i of the Appropriation Act) directed JLARC to review:**
 - the equity of the formula used to allocate State aid among public libraries in Virginia, and
 - the impact of technological changes on library services
- **JLARC is also directed to consider:**
 - the population and expenditure caps used in the current formula
 - the inclusion of a construction component in the State aid formula, and
 - the ability of local governments to fund library services

Background

31

- The General Assembly initially appropriated funds to the Library of Virginia to support local libraries and regional library systems in 1942
- The primary focus of this initial appropriation was to develop new libraries. However, provisions were included to aid existing libraries, particularly regional libraries
- The State aid formula in its current form seeks to
 - improve services to libraries
 - bolster maintenance and development of standards
 - encourage the formation of regional libraries

Background (continued)

32

- In order to receive grants in aid, localities
 - must apply for the State aid grants
 - must meet the requirements set forth by the Library Board
- State grants in aid may be used for
 - books and other library materials
 - salaries
 - equipment, supplies, and contractual services directly related to making materials more accessible and available
- State aid may not be used for construction or capital expenditures
- Currently, the majority of State aid is used to purchase books and materials

Study Issues

33

- Does the current State aid formula provide an equitable distribution of aid to public libraries in Virginia as well as recognize local needs and conditions?
- Should a construction component be included in the State aid formula?
- What is the role and impact of technology in the delivery and funding of library services?
- What collaborative efforts are currently underway in public libraries and are there any potential areas for the development or enhancement of such partnerships and efforts?

Research Activities

34

- **Structured Interviews**
 - Library of Virginia staff
 - Virginia Public Library Directors' Association
 - Virginia Public Library Directors
 - Virginia Library Association
- **Site visits to public libraries**
- **Document and literature reviews**
- **Analysis of State aid formula, population and expenditure caps, and local ability to fund library services**
- **Survey of public library directors**
- **Review of other states**

Project Schedule

35

- **Workplan development** Summer/Fall 2000
- **Data collection and analysis** Winter 2000/Spring 2001
- **Commission briefing** July 2001

Review of Gubernatorial Separation Authority

Study Mandate

37

- In November 2000, the Commission asked JLARC staff to examine gubernatorial authority to establish separation packages for State agency heads

Study Issue

38

- What is the statutory authority of the Governor to establish separation packages for agency heads that he has appointed?

Study Schedule

39

- **Code review, interviews** **April, May 2001**
- **Commission briefing** **June 2001**

Studies under Division Chief Robert B. Rotz

40

Review of Elementary and Secondary School Funding

- Project Leader: Bob Rotz
- Project Team: Ashley Colvin Gregory Rest
 Kimberly Maluski Christine Wolfe

Review of Indigent Participation in Medical Research

- Project Leader: Cindi Jones
- Project Team: Lisa Friel

Rotz Division

(continued)

41

Management and Funding of Health and Mental Health Services Provided through Virginia's Medicaid Program

- Project Leader: Cindi Jones
- Project Team: Unassigned

Review of Small Business Development Centers

- Project Leader: Linda Ford
- Project Team: Gerald Craver

Implementation of the Chesapeake Bay Preservation Act

- Unassigned

Review of Elementary and Secondary School Funding

Study Mandate

43

- In May 2000, the Commission directed that JLARC staff conduct a review of elementary and secondary school education funding
 - Concerns were expressed by local governments and school divisions prior to and during the 2000 General Assembly session that the State may not be a full partner in funding elementary and secondary education
 - Several draft resolutions and draft Appropriation Act language from the session requested a JLARC review of school division expenditures that exceed the State Standards of Quality (SOQ), as well as other funding issues

Background

44

- Virginia's Standards of Quality (SOQ) provide an important foundation for the State's role in funding elementary and secondary education
- The SOQ represent minimum requirements. SOQ costs reflect the minimum expenditure levels expected of school divisions in order to provide a high quality education program
- The State Supreme Court upheld the constitutionality of Virginia's funding system in 1994
- However, concerns have persisted about the adequacy of either the State's standards or the minimum costs that are calculated to meet the standards

Study Issues

45

- Is the State currently implementing the SOQ cost methodology and fully funding SOQ costs? Are all localities fully funding their share of SOQ costs?
- Are there improvements or enhancements to the SOQ methodology that appear appropriate?
- Are there “funding gaps” for State-mandated or sponsored programs?
- To what extent is funding distributed based on local ability to pay?

Study Issues

(continued)

46

- **For what specific practices do localities make expenditures that exceed recognized SOQ costs? How widespread are these practices? Is the extent to which the practices are used related to ability to pay? How much is spent for these practices? (This issue includes capital outlay and debt service)**
- **What factors should be considered in determining the degree of State support that may be appropriate for local practices which exceed the SOQ?**
- **If the General Assembly wishes to enhance the level of State support for elementary and secondary education by funding certain practices that exceed the current SOQ, what options are available and what are the associated costs?**

Research Activities

47

- Regional input sessions
- Surveys
- Data analysis, particularly trend analysis and correlation and regression analysis
- Structured interviews
- Development of funding options

Trend Analysis

48

- The study will include an assessment of trends such as:
 - trends in State, local, and federal support
 - trends in funding support compared to personal income
 - trends in the growth in expenditures overall, and by type
 - trends in positions and salaries

Overview of Correlation and Regression Analysis

49

- Correlation and regression analysis is a widely-accepted technique for assessing the extent to which various factors help to explain a variable that is of interest, such as school division expenditures
- For example, one of the factors that explain school division expenditures very strongly is the number of pupils in the division. Regression analysis can be used to quantify how strong that relationship appears to be.
- Since the relationship between expenditures and number of pupils is so strong, the next step in the analysis is to examine the strength of various factors in explaining per-pupil expenditures

Use of Correlation and Regression Analysis in this Study

50

- What factors appear to best explain the variation between localities in school division expenditures per-pupil:
 - in total? for operating costs? for specific types of operating costs? for facility and debt service costs?
- What factors appear to best explain the variation between localities in:
 - instructional and support positions per 1,000 pupils?
 - salary levels?

Use of Correlation and Regression Analysis in this Study (continued)

51

- **What factors appear to best explain variations between localities in student performance?**
- **What factors appear to best explain variations between localities in local revenue levels?**

Assessment of Funding Options

52

- What expenditures are required by State standards?
- What expenditures appear necessary due to factors that are largely beyond local control?
- What expenditures appear to be associated with higher levels of student performance or achievement?
- What expenditures are due to the use of education practices that most localities appear to have accepted as a part of their definition of a quality educational program?
- What factors appear to most accurately reflect local ability to pay?

Study Schedule

53

- Data analysis Spring, early Summer 2001
- Report drafting Summer 2001
- Commission briefing August 2001

Review of Indigent Participation in Medical Research

Study Mandate

55

- Under the provisions of the Legislative Program Review and Evaluation Act (§30-65 to §30-73), the Commission selected six topics for review by JLARC during its November 2000 meeting
- One topic selected was the review of indigent participation in medical research at Virginia's three teaching hospitals

Background

56

- Medical research, or clinical trials, are studies to determine the effectiveness and safety of drugs, therapies, or medical devices in people
- In Virginia, there are three major medical research universities: Virginia Commonwealth University, University of Virginia, and Eastern Virginia Medical School
- In FY 1999, these schools received over \$121 million in medical research funding

Background (continued)

57

- **These schools also are the major providers of health care to the indigent population**
 - In 1999, Virginia Commonwealth University provided 31 percent of all charity care provided in Virginia
 - Virginia Commonwealth University and the University of Virginia together provide the majority of Medicaid-funded inpatient and outpatient hospital care
- **In December 1999, the federal government suspended all human subjects research at Virginia Commonwealth University due to administrative deficiencies and noncompliance with federal regulations. The final phase of the suspension ended in March 2001**

Study Issues

58

- Do the three Virginia teaching hospitals ensure adequate protection for all Virginians who participate in medical research, including the most vulnerable and/or indigent citizens?
- What is the impact to study participants, researchers, and the universities when they do not meet federal standards for providing human subject protection?

Research Activities

59

■ Interviews

- University officials, staff, and researchers
- Federal agencies responsible for human research protection

■ Site Visits

- Observation of institutional review board meetings
- Audit of fifteen medical research projects

■ Review of data and documents

Study Schedule

60

- | | |
|----------------------------|------------|
| ■ Data collection/analysis | In process |
| ■ Develop report | In process |
| ■ Commission briefing | June 2001 |

Management and Funding of Health and Mental Health Services Provided through Virginia's Medicaid Program

Study Mandate

62

- **SJR 441 directs JLARC to evaluate the management and funding of health and mental health services provided through the Department of Medical Assistance Services (DMAS), including:**
 - **DMAS' role and mission relative to indigent health care policy**
 - **DMAS' internal and external communication mechanisms and their impact on the development, management, and utilization of health and mental health services**
 - **the adequacy of current resources (staff and technology)**
 - **the adequacy and appropriate use of federal and state funds for services, and**
 - **a comparison of Virginia's Medicaid-funded health and mental health services with other states**

Background

63

- The Virginia Medicaid program is the third largest budget in the Commonwealth. In FY 2000, the total cost of the Medicaid program was more than \$2.5 billion. The State's portion of this cost was almost half.
- More than 670,000 low-income Virginians are eligible for Medicaid-funded services, including hospital care, nursing facility and other long-term care services, physicians, and pharmacy

Background (continued)

64

- The appropriation for DMAS has grown from \$597 million in FY 1986 to \$3.2 billion for FY 2002
 - During the 1990s, Medicaid appropriations increased 160 percent, compared to an overall State general fund budget increase of 85 percent
 - However, Virginia's Medicaid program is ranked 36th in the nation for expenditures per Medicaid recipient
- According to the study mandate, the growth in Medicaid expenditures, the number of citizens that rely on the program for health and mental health services, and the strong concerns raised by consumers and providers about the administration of the program, make it necessary to conduct a comprehensive evaluation of the Medicaid program

Study Schedule

65

- | | |
|----------------------------|------------------|
| ■ Workplan development | Summer 2001 |
| ■ Data collection/analysis | Fall 2001 / 2002 |
| ■ Commission briefing | 2002 |

Review of Small Business Development Centers

Study Mandate

67

- **Senate Joint Resolution 233 (2000) directs JLARC to study small business development centers (SBDCs) in Virginia and other locally based centers organized to assist and develop small businesses**
- **The resolution specifically directs staff to examine:**
 - the policies and procedures governing the formation of SBDCs
 - the existing procedures and criteria for such centers to receive State and federal funding under programs administered by the Virginia Department of Business Assistance, and
 - the appropriate degree of control over the operations and personnel decisions of such centers by the department

Background

68

- The SBDC program was established by the federal government in 1980 as a partnership between the educational community, private sector, and federal, state, and local governments
- Its purpose is to provide assistance to current and prospective small business owners, primarily through one-on-one counseling and group training
- Most services are provided at no cost to small business owners

Background

(continued)

69

- **Established in 1990, Virginia's SBDC program consists of a lead center at the Department of Business Assistance, 17 service centers and 12 satellite offices located throughout the Commonwealth**
 - **Local centers are hosted by a variety of public and private entities, such as universities, community colleges, and local chambers of commerce**
- **Services provided by local centers include:**
 - **Business planning**
 - **Marketing assistance**
 - **Access to a business resource library**
 - **Assistance in researching and approaching business financing sources**
 - **Cash flow and tax counseling, and**
 - **Specialized training workshops**

Virginia SBDC Office Locations

70

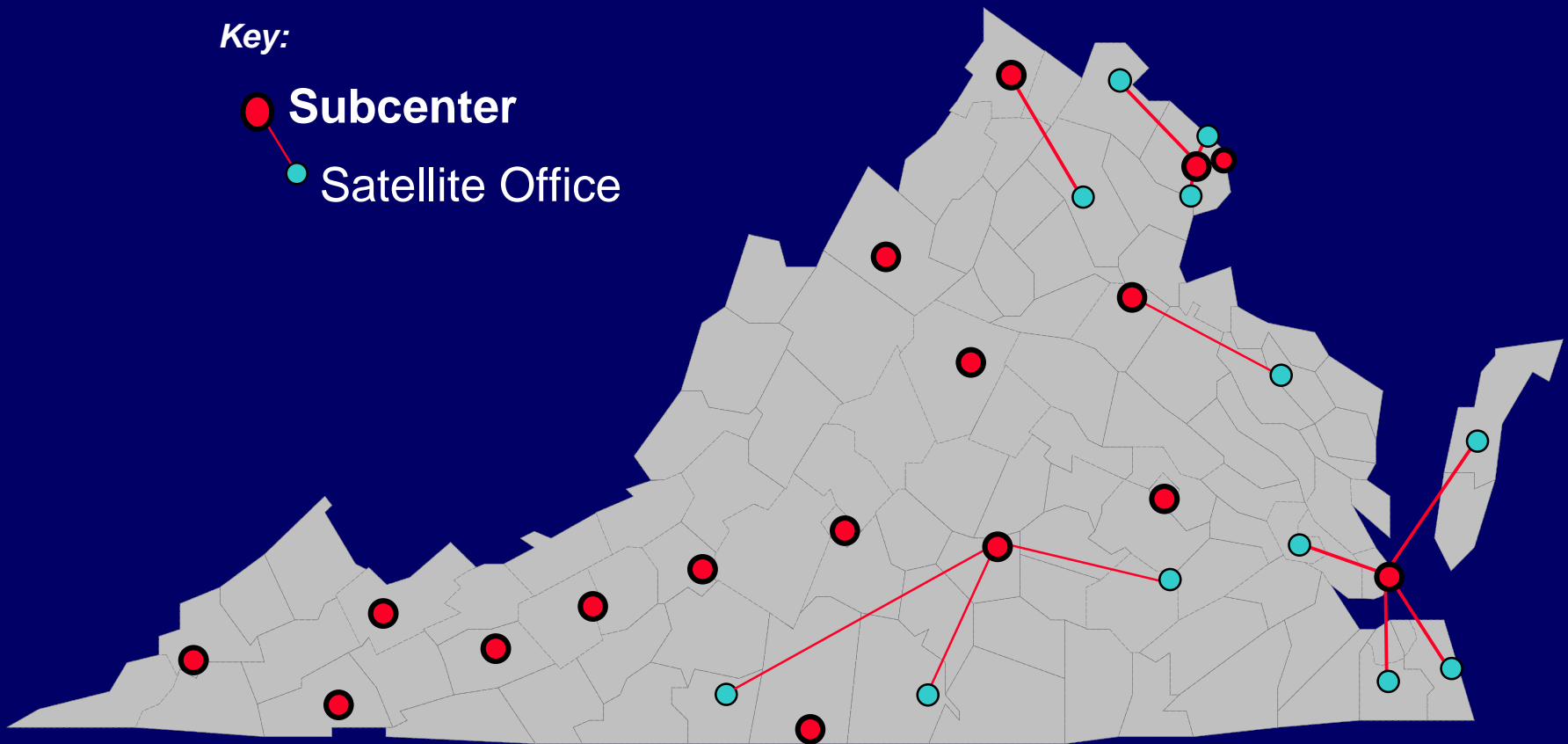
Key:



Subcenter

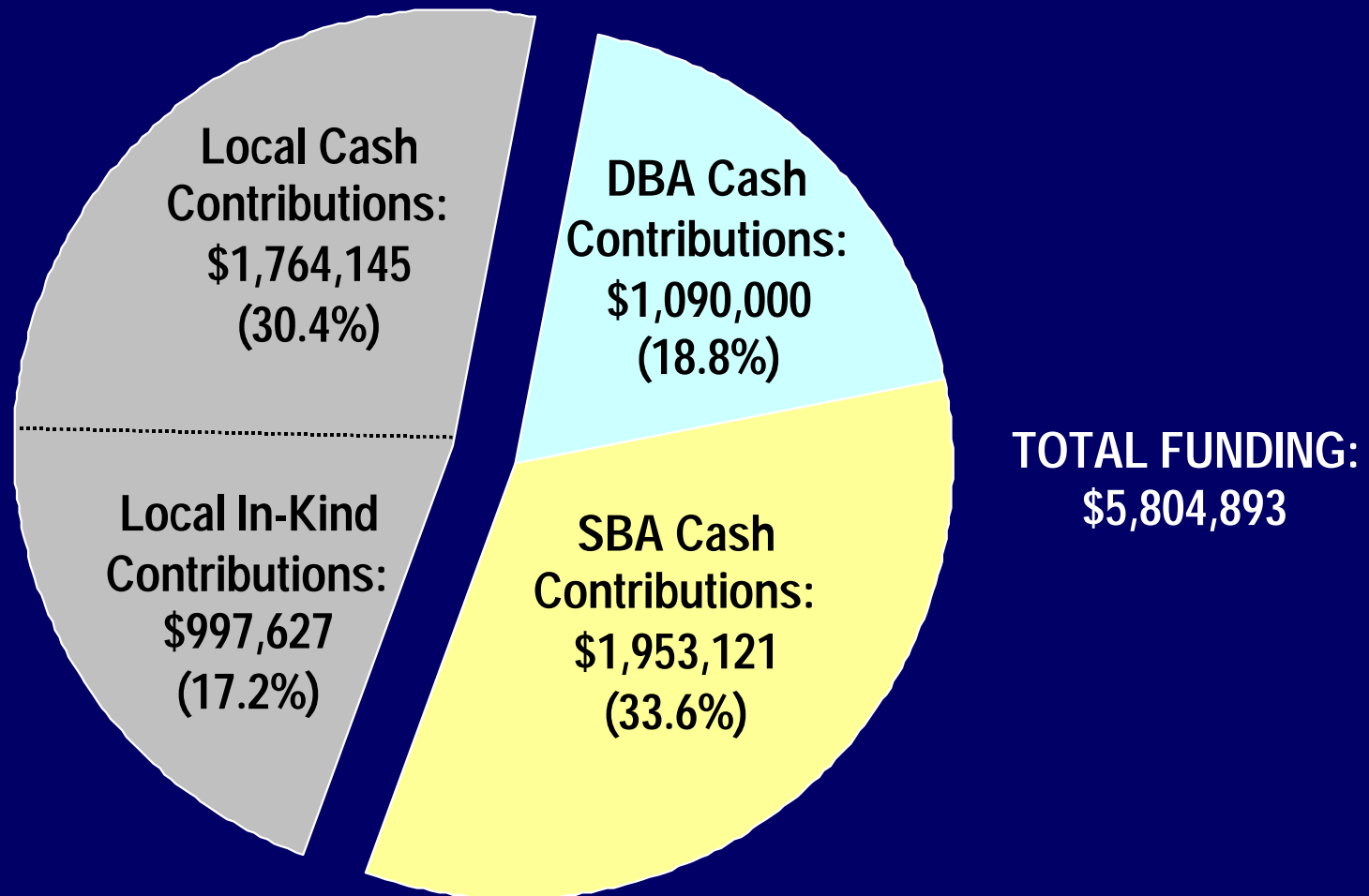


Satellite Office



Virginia SBDC Network Funding CY 2001

71



Note: State and federal funding amounts for the VSBDC Lead Center are included in this chart.

Study Issues

72

- Are SBDCs organized appropriately?
- Is the level of State oversight of SBDCs appropriate?
- Is the process by which SBDCs receive State and federal funds appropriate?
- Do SBDCs meet performance expectations regarding services?

Research Activities

73

- **Structured interviews**
- **Site visits to SBDCs**
- **Review and analysis of secondary data**
- **Review of program documents**

Study Schedule

74

- Data collection Spring and Summer 2001
- Report drafting Fall 2001
- Commission briefing October 2001

Implementation of the Chesapeake Bay Preservation Act

Study Mandate

76

- **House Joint Resolution 622 from the 2001 Session requests a JLARC report on the implementation of the Chesapeake Bay Preservation Act, including:**
 - **a review of how the Chesapeake Bay Local Assistance Board assesses local compliance with the Act and uses its enforcement authority**
 - **a performance audit of local implementation and enforcement of ordinances and practices adopted to comply with the Act**
 - **a review of the granting of local exceptions or variances to the Act**
 - **a review of the resources necessary for State and local implementation of the Act**

Interim and Final Reports Requested

77

- HJR 622 requests that JLARC submit an interim and final report
- The JLARC interim report:
 - is due November 30, 2001
 - is to include an assessment made by the Chesapeake Bay Local Assistance Department (CBLAD) of issues regarding extending the CBPA to include localities outside of Tidewater Virginia; the CBLAD assessment is to be provided to JLARC by October 20, 2001
- The JLARC final report is due by October 20, 2002

Study Issues

78

- What are the implications of extending the Chesapeake Bay Preservation Act to include localities outside of Tidewater Virginia?
- How does the Chesapeake Bay Preservation Board assess the extent of local compliance with the Act and exercise its enforcement authority?
- To what extent does it appear that localities are implementing and enforcing local ordinances and practices adopted to comply with the Act?
- What is the frequency, consistency, and rationale in the grant of exemptions to requirements pursuant to the Act?
- What resources appear necessary for State and local implementation and enforcement of the Act?

Research Activities (Preliminary)

79

- CBLAD assessment of extending the Chesapeake Bay Preservation Act (JLARC review of the CBLAD document)
- Interviews with federal, State, and local officials, as well as representatives of those impacted by the preservation ordinances and regulations, and preservation groups
- Review of the Act, accompanying State regulations, and CBLAB / CBLAD files
- Collection and review of local ordinances and regulations adopted pursuant to the Act
- Locality site visits and file reviews at a sample of sites
- Development of methodology to estimate resources required for State and local implementation and enforcement

Study Schedule

80

- Preliminary work on study Summer, Fall 2001
- CBLAD assessment due October 20, 2001
- JLARC staff interim report November 2001
- Site visits, data analysis December 2001 to Fall 2002
- Commission briefing Fall 2002

Studies under Division Chief Glen S. Tittermary

81

Review of the Equity and Efficiency of Highway Funding

- Project Leader: Hal Greer
- Project Team: Anne Oman Aris Bearse

Review of the Adequacy and Efficiency of Highway Maintenance

- Project Leader: Eric Messick
- Project Team: Jason Powell Scott Demharter

Tittermary Division

(continued)

82

Review of Information Systems Development in State Government

- Project Team: Unassigned

Retirement System Oversight

- Analyst for VRS Oversight: Patricia Bishop

Tittermary Division

(continued)

83

Internal Service Funds

- **DIT / Fleet Management: Glen Tittermary**
- **DGS: Linda Ford**

Other Assignments

- **Computer Systems Support and Management**
- **DSS Local Information Technology Planning Committee**

Review of the Equity and Efficiency of Highway Funding

Study Mandate

85

- In November 2000, the Commission authorized a review of the equitable allocation of highway funds to the various highway systems and among Virginia localities

Background

86

- **State highway allocation formulas were last modified in 1985 as a result of 1982-1984 JLARC study**
- **Formulas are based on assessment of highway construction needs and factors that have been determined to be good proxies for need, such as vehicle miles traveled and population**

Background

(continued)

87

- **State formula allocates 40 percent of funds to the primary system, and 30 percent both to the secondary and urban systems**
- **Primary funds are allocated among nine VDOT districts based on VMT (75%), lane miles (20%), and a needs adjustment factor (5%)**
- **Secondary funds are allocated among counties based on population (80%) and land area (20%)**
- **Urban funds are allocated among cities and towns based on population exclusively**

Study Issues

88

- Should VDOT continue to use a needs-based system for the allocation of highway construction funds, or consider an alternative approach for allocating such funds?
- Does VDOT appropriately define and measure highway construction “needs” for purposes of allocating State highway construction funds?
- Should the current primary, secondary, and urban road classification systems continue to be used to allocate construction funds, and if so, are funds equitably allocated among these road systems and the National Highway System?

Study Issues

(continued)

89

- **Is the allocation of funding within the primary, secondary, and urban systems equitable?**
- **Are separate bridge and unpaved road funds needed, and if so, what amount should be allocated to such funds?**
- **Is the allocation of funding between maintenance and construction consistent with current and anticipated needs?**

Research Activities

90

- Interviews with VDOT staff, Virginia Transportation Research Council staff, and local transportation officials
- Evaluation of VDOT needs assessments
- Evaluation of transportation allocation methods in other states
- Review of transportation literature regarding factors that correlate with transportation need

Research Activities

(continued)

91

- **Possible survey of local governments**
- **Collection of data on factors such as population and vehicle miles traveled that may serve as useful proxies for need**
- **Regression analysis using needs data and proxies for need to develop models that may serve as the basis for recommended formula modifications**

Study Schedule

92

- Research and data analysis Spring - Summer 2001
- Report drafting Fall 2001
- Commission Briefing November 2001

Review of the Adequacy and Efficiency of Highway Maintenance

Study Mandate

94

- In November 2000, the Commission directed staff to review the efficiency and effectiveness of highway maintenance by VDOT and the localities

Background

95

- The *Code of Virginia* requires the Commonwealth Transportation Board to dedicate an amount deemed “reasonable and necessary” for road maintenance prior to all other funding allocations
- The *Code of Virginia* also establishes criteria for payments for maintenance purposes to the cities, certain towns, and the counties of Arlington and Henrico

Background

96

- Maintenance and operations functions include mowing, trash pick-up, and pothole patching, as well as pavement replacement and bridge re-decking
- Appropriations for the major road systems has increased by about 24 percent since FY 1991 to more than \$950 million, after accounting for inflation
- Expenditures for maintenance and operations on the Interstate, primary, and secondary systems accounted for more than 75 percent of VDOT's maintenance related expenditures in FY 2000

Study Issues

97

- What is the current quality of Virginia's road system?
- Is the maintenance program adequately funded to meet the maintenance needs of the State's highway system?
- Is the maintenance program effectively managed, organized, and staffed in order to provide adequate highway maintenance?

Study Issues

(continued)

98

- **What level of productivity have State and non-State forces achieved in terms of highway maintenance functions given the available resources?**
- **How would the implementation of an asset management approach impact the department's ability to provide highway maintenance?**
- **What is the current status of maintenance performed by the cities, towns, and the counties of Arlington and Henrico?**

Research Activities

99

- Interviews with VDOT maintenance and operations program staff at the central, district, residency, and area levels; representatives from local road maintenance programs; and private contractors
- Surveys of VDOT field staff
- Site visits to all districts as well as selected residencies and area headquarters
- Analysis of statewide road quality by system type
- Analysis of productivity levels for State and non-state forces performing maintenance activities
- Review of selected other state highway maintenance programs

Study Schedule

100

- Data collection Spring – Summer 2001
- Report drafting Fall 2001
- Commission briefing November 2001

Review of Information Systems Development in State Government

Study Mandate

102

- In November 2000, the Commission authorized a review of the procurement and development of information systems by State agencies

General Issue Areas

103

- **Causes contributing to systems development failures**
- **Adequacy of systems development policies and procedures**
- **Adequacy of systems development resources**
- **Use of best practices from other states and the private sector**

Project Status

104

- Awaiting assignment of project team
- Completion in Fall 2002

Oversight of the Virginia Retirement System

Background

106

■ Statutory Responsibility (§30-78 *et seq.* of the Code of Virginia):

- Oversee and evaluate VRS on a continuing basis
- Publish a biennial status report
- Conduct a quadrennial actuarial analysis
- Publish an informational guide for legislators
- Hire an actuary for use by JLARC, House Appropriations, and Senate Finance

2001 VRS Oversight Activities

107

- Review VRS proposal for period of retirement prior to rehiring teachers (with VRS and actuary)
- Semi-annual investment reports (July and December)
- Complete quadrennial actuarial audit with Wm. M. Mercer, Inc.
- Complete biennial status report
- Revise and update Legislator's Guide to the Virginia Retirement System (with VRS assistance)
- Attend meetings of the Board of Trustees and the Investment Advisory Committee

Internal Service Funds

Background

109

■ Statutory Responsibility (§2.1-196.1 of the *Code of Virginia*):

- Creation of new funds as necessary
- Elimination of funds no longer needed
- Transfer of excess balances to the general fund

■ Commission Policy:

- Review of quarterly financial statements
- Approval of changes in billing formulas and rates
- Approval of changes in the scope and nature of services

Current Funds

110

- **Department of Information Technology (DIT)**
 - **Computer Services**
 - **Systems Development**
 - **Telecommunications**

Current Funds

(continued)

111

■ Department of General Services (DGS)

- Fleet Management (Central Garage)**
- Virginia Distribution Center**
- Federal Surplus Property**
- Graphic Communications**
- Maintenance and Repair**
- State Surplus Property**
- Consolidated Laboratory Services**
- Real Property**

Schedule

112

- | | |
|----------------------------------|-----------|
| ■ Review of financial statements | Quarterly |
| ■ Review of rate requests | As needed |

Computer Systems Support

2001 Computer Systems Activities

114

- Provide computing support for JLARC research teams
- Deploy a new JLARC Web site with full search capability
- Publish new releases of the JLARC report CD-ROM